



Hollywood Property Owners Alliance
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July 27, 2007

TO: Holly Wolcott
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Entertainment District POA

Subject: Second Quarter Report
April 1, 2007 - June 30, 2007

As is required in our agreement with the City of Los Angeles, I am submitting our Second Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- The Board approved the Annual Financial Review (for 2006) prepared by RBZ, LLP at their April 19, 2007 meeting.
- The Annual Board Retreat was held on May 17, 2007 at the Roosevelt Hotel. The retreat was facilitated by consultant Brad Segal, from Progressive Urban Management Associates.
- The Board voted in May to adopt a three percent property assessment increase for the 2007-2008 tax year.
- The Board approved using Muni Financial, a consulting firm based out of Temecula, CA., to assist in technical aspects with the BID renewal process for a total to not exceed \$18,000 over a two year period.
- An Ad-Hoc Committee composed of Board members, Monica Yamada, Jose Malagon, Tej Sundher, Alan Sieroty, in addition to Executive Director Kerry Morrison and HPOA Attorney Jeff Briggs reviewed and amended the current Hollywood Property Owners Alliance Bylaws. The Board approved the amended and restated Bylaws at their June 21, 2007 meeting.
- An All Property Owners Meeting was held June 26, 2007 at Cinespace

Hollywood Property
Owners Alliance
Board of Directors

Monica Yamada
President
CIM Group, Inc.

Joel Fisher
Vice President
Avolon

Jose Malagon
Secretary
Hollywood Media
Center

Jeff Rouze
Treasurer

Historic Hollywood
Hillview LLC

Chris Bonbright
Wrailey Court Partners

Lynda Byhee
MTA

William Hertz
Mann Theatres

Nathan Korman
NBK, LLC

Ron Radachy
Oasis of Hollywood

Hilary Royce
Church of Scientology
International

Alan Sieroty
Sieroty Company

Thaddeus Smith
The Music Box
@Fonda

Frank Stephan
The Claret Group

Tej Sundher
Hollywood Guinness
Museum

John Tronson
Tronson Investment
Group

Kerry Morrison
Executive Director

on Hollywood Blvd. The BID presented to those in attendance an informative presentation on BID renewal and shared highlights from not only the last year, but also from the board retreat.

- Monica Yamada appointed the nominating committee for this year's board member election. The Nominating Committee is John Tronson, Thaddaus Smith, and Michel Bolour. A mailing was sent to all property owners on July 12, 2007 informing them of five vacancies on the Board. The deadline for applications is the last Thursday in July.

II. Security

- A Security Open House was held on May 10, 2007 to invite board members as well as property owners and community members to come and view the new and improved BID Security Headquarters for both the Hollywood Entertainment District and the Sunset and Vine Business Improvement Districts. The headquarters is at Hollywood and Highland in a space donated by CIM Group, Inc.

- The Board agreed to co-sponsor PATH's "H.E.R.O." Program which would begin in the Summer of 2007. The program reaches out to homeless individuals in the Hollywood area. Other groups sponsoring the program include the Sunset and Vine Business Improvement District, the Media District BID, and the CRA.

- Andrews International, which begin patrolling the BID area in January 2007 is on track to meet, if not exceed arrest totals from last year within the BID area.

- Andrews International has also taken a proactive stance in helping to reach out to the homeless population in the Hollywood area. The company has begun working with outreach groups such as PATH, Social Services at Blessed Sacrament, Inc., My Friend's Place, and others in the community to give those in the homeless population another option to life on the street. In total, this year alone, Andrews has handed out over 2,000 referral cards to assists individuals who are living on the street.

- Kerry Morrison and Dan Chismire, from CIM Group, Inc., testified before the Police Commission board to move the starting point for the Immigration march on June 24 from Hollywood and Vine to Hollywood and Ivar, due to the fact that construction at the "V" Hotel site could serve as a liability to attendees and officers. The two were successful in their efforts.

III. Streetscape Issues

- At the April 19, 2007 meeting the Board approved a change order to amend the Clean Street Agreement through December 31, 2008. The change order reflects a monthly costs of \$56,621 which could be increased April 1, 2008 by a CPI inflator.
- The Board approved funding for the Chinese Elm trees along Ivar to be trimmed. It has been two years since the trees were last trimmed.

IV. Marketing Issues

- The 2007-2008 Visitor's Guide and Map Campaign was begun with the Board approving an increased quantity of 400,000 maps produced this year. The map will now also feature businesses from the Sunset and Vine Business Improvement District. It is expected to be distributed in late July.
- A Ten-Year Timeline of the Hollywood Entertainment District was developed and completed by the BID. The Timeline shows the last ten years in Hollywood from a city and BID perspective. The board approved a quantity of 3,000 to be printed. The piece will be used as marketing collateral for the BID in the coming years.

V. OTHER

- Surveys were distributed to property owners and representatives within the BID to try to get initial thoughts on BID Renewal as the BID will be looking to begin the process in late July.
- Morrison has begun working with various property owners within the BID area to develop a map of available parking for club and restaurant owners to post on their websites to help ease parking congestion in the BID.
- Morrison continues to consult with the Sunset and Vine BID, assisting in various developments between the group and vendors.

Hollywood Property Owners Alliance

Annual Limits & Year-To-Date Totals

Quarter Ending June 30, 2007

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT THIS QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	2,440,654		1,012,230	2,295,854		
City Fees	24,406		-	24,382	-	
Contingency	50,000		-			
Administration	147,874		44,841	70,298	77,576	
Security	1,300,348		318,812	563,752	736,596	
Maintenance	672,138		169,863	332,413	339,725	
Personnel	291,086		82,153	82,153	208,933	
ED&C/Marketing	68,500		23,524	27,990	40,510	
TOTAL	2,554,352	-	639,193	1,100,988	1,403,340	

Other Income (not included above):

DWP Grant

Assessment Penalties

Interest-LA City

Interest-other

Total other income as of June 30, 2007

4,312.27
4,825.00
16,495.40
25,632.67

HPQA 04-08	January Actual	February Actual	March Actual	April Actual	May Actual	June Budget	June Actual	June Difference	July	August	September	October	November	December	YTD	Original Budget	Difference
INCOME																	
Grants Assessments															2,440,854	2,440,854	-
Projected Delinquencies															59,000	59,000	-
Net Income	-	926,826	356,796	-	-	632,305	699,186	356,853	-	90,000	-	-	-	-	2,589,654	2,589,654	14,800
City Interest Income	-	1,423	1,423	-	-	-	2,763	2,763	-	-	-	-	-	-	4,906	-	4,906
Penalty Income	619	-	3,432	-	-	-	-	-	-	-	-	-	-	-	4,051	-	4,051
Interest Income	661	1,541	4,077	3,361	-	1,200	4,863	3,483	1,500	1,500	1,200	1,000	500	100	23,176	13,396	10,978
Misc Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	1,500	928,367	365,730	3,361	28,905	633,505	696,624	362,119	1,500	91,500	1,200	1,000	500	100	2,612,766	2,492,854	14,432
EXPENSES																	
Security																	
Security Patrol	86,923	68,825	68,691	117,162	92,500	95,796	93,160	(2,636)	119,745	95,796	65,796	119,745	95,796	95,796	1,169,655	1,245,348	(75,393)
Security Contingency	501	-	-	2,600	13,105	35,000	265	(34,755)	-	-	-	-	-	-	18,471	65,090	(13,529)
Maintenance and Structures																	
Maintenance contract	54,163	54,163	54,163	-	113,242	96,621	96,621	-	56,621	56,621	56,621	56,621	56,621	56,621	672,139	672,138	1
Misc - Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Activities	603	63	530	5,171	4,231	4,000	2,202	(1,789)	4,000	4,000	4,000	4,000	4,000	4,000	37,000	48,000	(11,000)
Marketing and Consulting																	
Marketing - Benchmark	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing-consulting	-	-	-	-	2,733	-	-	-	-	-	-	-	-	-	2,733	-	2,733
Consulting	1,300	694	1,177	1,032	4,063	-	4,063	4,063	2,500	-	2,500	2,500	-	-	19,758	15,000	4,758
Accounting Fees	-	1,666	2,326	870	6,500	7,460	3,761	(3,689)	1,650	3,700	1,650	1,850	1,650	1,650	27,273	29,600	(2,327)
Business Meals	-	25	308	456	729	265	1,289	1,004	265	265	265	265	265	265	4,517	3,420	1,097
Out-of-Subscriptions	1,540	85	850	-	-	650	855	205	100	100	150	100	400	400	4,388	3,300	1,088
Insurance	-	-	-	-	-	-	-	-	18,000	10,000	2,330	2,330	2,330	2,330	28,000	36,000	(8,000)
Health Insurance*	490	490	1,442	490	490	2,330	1,046	(1,261)	2,330	2,330	2,330	2,330	2,330	2,330	16,439	27,946	(11,507)
Legal	1,000	1,052	1,000	1,000	1,000	1,000	1,000	-	1,000	1,000	1,000	1,000	1,000	1,000	12,042	12,000	42
Office Expenses*	508	594	792	774	2,136	890	2,565	1,705	890	890	890	890	890	890	1,120	10,000	2,416
Telephone*	441	665	699	1,061	1,026	775	1,062	317	775	775	775	775	775	775	9,816	9,000	816
Travel	-	8	697	-	697	-	(643)	(643)	-	-	-	1,800	600	-	3,048	3,000	(48)
DMV fees	-	24,362	-	-	-	-	-	-	-	-	-	-	-	-	24,362	24,406	(44)
Miscellaneous	268	-	99	78	2,417	290	242	(6)	250	250	250	250	250	250	4,603	3,000	1,603
Office exp - Furniture	-	-	120	696	272	-	-	-	-	-	-	-	-	-	2,000	3,000	278
Office equipment	-	-	261	3,554	2,435	-	219	219	1,000	-	-	-	-	-	9,490	3,000	6,490
Fleet	3,491	2,146	2,251	2,394	2,373	2,360	2,813	453	2,360	2,360	2,360	2,360	2,360	2,360	28,639	28,000	1,619
Bank Fees	-	-	-	-	4	-	-	-	-	-	-	-	-	-	4	-	4
Personnel	18,904	17,955	18,430	21,815	27,662	26,242	27,047	905	28,241	26,241	26,241	26,241	26,241	26,241	301,289	314,583	(13,274)
Start Salaries*	-	71	260	-	-	-	248	248	-	-	-	-	-	-	597	-	597
Temp Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes*	1,949	1,568	1,577	897	2,335	2,077	2,121	44	1,652	1,652	1,652	1,652	1,652	1,652	20,340	22,529	(2,189)
Sum Taxes	-	-	-	-	18	-	-	-	-	-	-	-	-	-	18	-	18
Contingency	-	-	-	-	-	3,000	-	(3,000)	3,000	3,000	3,000	3,000	3,000	3,000	18,000	36,000	(18,000)
Total Expenses	172,202	174,784	175,434	180,240	278,980	228,718	200,017	(39,699)	244,669	210,990	201,690	227,169	200,240	203,660	2,458,135	2,598,325	(148,190)
Net Cash Flow	(170,802)	753,683	190,296	(156,879)	(252,075)	394,789	706,607	402,816	(243,069)	(119,490)	(206,490)	(225,169)	(199,740)	(203,560)	(532,448)	(119,471)	163,623
Beginning Cash	366,909	167,103.83	671,575	1,069,996	906,748	-	-	-	1,510,187	1,297,096	1,147,608	947,116	720,929	521,199	366,909	-	366,909
Ending Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments																	
Beginning Assets	26,082	27,687.62	34,289	50,659	50,656	-	50,656	-	-	-	-	-	-	-	246,732	-	-
Ending Assets	(27,099)	(27,687.62)	(27,788)	(50,659)	(50,653)	-	(50,653)	-	-	-	-	-	-	-	(235,137)	-	-
Beginning Liabilities	(187,118)	(159,720.48)	(110,608)	(110,139)	(105,433)	-	(105,433)	-	-	-	-	-	-	-	(861,459)	-	-
Ending Liabilities	159,720	110,608.25	111,224	304,760	169,439	-	169,439	-	-	-	-	-	-	-	840,311	-	-
Ending Cash	187,104	871,574.98	1,068,996	906,748	737,678	-	1,510,187	-	1,297,096	1,147,608	947,116	720,929	521,199	317,669	317,669	-	317,669
HPQA Expenses Reconciliation	CHC Contract	-	-	(20,000)	(10,000)	(10,000)	(10,000)	-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(119,000)	(119,000)	-

*Revenues received from the CHC Contract are deposited into the HPQA (non-BID) account
#Beginning assets and beginning liabilities in April 2007 do not match ending assets and ending liabilities of March 2007 due to adjustments made when preparing the December 31, 2006 financial statements